

LEUCADIA WASTEWATER DISTRICT
 Minutes of an Investment & Finance Committee Meeting
 April 7, 2021

A meeting of the Investment & Finance Committee (IFC) of the Leucadia Wastewater District (LWD) was held Wednesday, April 7, 2021 at 1:00 p.m. via video conference.

1. Call to Order

Chairperson Hanson called the meeting to order at 1:12 p.m.

2. Roll Call

DIRECTORS PRESENT: Hanson and Sullivan

DIRECTORS ABSENT: None

OTHERS PRESENT: General Manager Paul Bushee, Administrative Services Manager Richard Duffey, Administrative Services Supervisor Trisha Hill, Executive Assistant Tianne Baity, and David Foreman and Lauren Hoodenpyle of Clifton Larsen Allen, LLP

3. Public Comment

No public comment was received.

4. New Business

- A. Authorize the General Manager to execute an agreement with Time Value Investments, Inc., (TVI) to add them as an additional authorized financial broker-dealer and provide fixed-income securities broker-dealer services.

ASM Duffey presented the item and provided background information noting that the District currently utilizes three options to manage its investments. He stated that to diversify and to enlarge the pool of available authorized investment options, staff is recommending adding an additional broker/dealer to our list. Time Value Investments (TVI). ASM Duffey then provided background information on TVI.

ASM Duffey stated that LWD's Investment Policy allows the use of authorized financial dealers and institutions as long as certain requirements have been met. He stated staff has contacted three references who provided positive reviews of TVI.

Following discussion, the IFC concurred with staff to recommend that the Board of Directors authorize the General Manager to execute an agreement with Time Value Investments, Inc., (TVI) to add them as an additional authorized financial broker-dealer.

- B. Authorize the General Manager to execute a Professional Services Agreement with Clifton Larsen Allen LLP (CLA) for Financial Management & Accounting Support Services for an amount not to exceed \$120,000.

ASM Duffey presented the item and provided background information noting that he will be retiring in the near future. He stated that staff has reviewed options for his replacement and for managing the finances. He noted that staff believes LWD's best option is to return to outsourcing the financial and accounting services and that staff

has identified CLA (formerly White Nelson Diehl Evans LLP) as the most viable option.

ASM Duffey explained that CLA's principal in charge of the LWD work would be Mr. David Foreman, CPA. He then provided background information on Mr. Foreman. ASM Duffey stated that staff believes that CLA's fee is fair and reasonable based on industry standards.

Chairperson Hanson asked for clarification on the District's weekly accounting functions. ASM Duffey provided clarification on the weekly functions.

Following discussion, the IFC concurred with staff to recommend that the Board of Directors authorize the General Manager to execute a Professional Services Agreement with Clifton Larsen Allen LLP (CLA) for Financial Management & Accounting Support Services for an amount not to exceed \$120,000.

C. Authorize the General Manager to Proceed with the Proposition 218 Process and Schedule a Public Hearing to Consider Adoption of an Ordinance increasing the Sewer Service Charges for Fiscal Years 2022, 2023, and 2024.

ASM Duffey presented the item and provided background information noting that the District adopted a Financial Plan in June 2018. He stated that the Financial Plan indicated that in order for the District to meet the projected future operating and capital expenditures necessary to maintain the integrity of its collection system, a three-year sewer rate increase would be needed beginning fiscal year 2021. ASM Duffey stated that due to the COVID-19 pandemic the sewer rate increase was postponed for fiscal year 2021.

ASM Duffey stated that based on the Financial Plan Update tracking and previous proposed sewer rate increase discussions, the Board directed staff to move forward with the planned sewer rate increase for fiscal year 2022 and proceed with the Proposition 218 Notice process.

Staff and the IFC then reviewed the draft text for the Proposition 218 Notice. Director Sullivan stated that the notice was well done.

Following discussion, the IFC agreed to recommend that the Board of Directors authorize the General Manager to proceed with the Proposition 218 process and schedule a public hearing to consider adoption of an ordinance increasing the sewer service charges for Fiscal Years 2022, 2023, and 2024.

5. Information Items

None.

6. Directors' Comments

Director Sullivan asked if the professional services agreement with Clifton Larsen Allen LLP (CLA) would cost more than hiring a replacement ASM. GM Bushee stated that the professional services agreement with CLA would cost the District significantly less.

7. General Manager's Comments

GM Bushee provided a COVID-19 update regarding District staff.

8. Adjournment

Chairperson Hanson adjourned the meeting at 1:37 p.m.



Paul J. Bushee
Secretary/General Manager
(Seal)